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Jan. 2003

BEFORE THE BOARD OF MILK CONTROL  
OF THE STATE OF MONTANA  
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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EFFECTIVE:

January 1, 2003  
February 1, 2003  
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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%  
CLASS I BUTTERFAT PRICE PER POUND

\$13.11 /CWT  
\$1.21 /LB

EFFECTIVE February 1, 2003:

The minimum price to pay milk producers, under ARM 32.24.301, is \$13.11 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 12.1 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.21.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$10.85 /CWT

Average spray process dry milk solids  
price per pound = \$0.90500  
Multiplied by 8.2 x 8.2

\$7.42100

\$7.42100

Last quote of the month for Grade AA butter  
minus a differential of \$.0895 = \$1.05550  
Multiplied by 4.2 x 4.2

\$4.43310

+ \$4.43310

LESS a make allowance of 8.5% ( \$11.8541 X .085)

\$11.85410

- \$1.00760

\$10.84650

Rounded to the nearest whole cent = \$10.85 /hundredweight.

**CLASS II BUTTERFAT PRICE PER POUND****\$1.17 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.05550	X .111 )	=
Rounded to the nearest half cent				=
				\$0.11716
				\$0.117

Butterfat value per pound		
for milk at 3.5% test:	\$1.17	

Hundredweight price of milk testing 3.5%		=	\$10.85
LESS 3.5 pounds of butterfat at	\$1.17	per pound	-
Value of 96.5 pounds of skim			=
			\$6.755

CLASS II VALUE OF  
ONE POUND OF SKIM

6.755 / 96.5 pounds)	=	\$0.07000 /LB
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**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$9.27 /CWT**

3.5 pounds of butterfat	\$0.95	per pound =	\$3.325
96.5 pounds of skim	\$0.06159	per pound =	\$5.944
			\$9.269 /CWT

**CLASS III BUTTERFAT PRICE PER POUND****\$0.95 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.05550
LESS 10%	-	\$0.10555
		\$0.94995

Rounded to the nearest whole cent	=	\$0.95	per pound.
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**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****\$6.15943 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.90500
Multiplied by 8.2	8.2
	\$7.42100
LESS 17%	\$1.26157
	\$6.15943

Rounded to the nearest whole cent	\$6.16	per hundredweight.
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**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by:

*Monte Nick*  
Monte Nick, Bureau Chief  
Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$13.11 FOR 3.5% MILK 96.5 LBS = \$8.875		CLASS II SKIM PRICE BASED ON \$10.85 FOR 3.5% MILK 96.5 LBS = \$6.755		CLASS III SKIM PRICE BASED ON \$9.27 FOR 3.5% MILK 96.5 LBS = \$5.944	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09103	2.50	\$0.06928	2.50	\$0.06096
2.55	\$0.09107	2.55	\$0.06932	2.55	\$0.06099
2.60	\$0.09112	2.60	\$0.06935	2.60	\$0.06103
2.65	\$0.09117	2.65	\$0.06939	2.65	\$0.06106
2.70	\$0.09121	2.70	\$0.06942	2.70	\$0.06109
2.75	\$0.09126	2.75	\$0.06946	2.75	\$0.06112
2.80	\$0.09131	2.80	\$0.06950	2.80	\$0.06115
2.85	\$0.09135	2.85	\$0.06953	2.85	\$0.06118
2.90	\$0.09140	2.90	\$0.06957	2.90	\$0.06121
2.95	\$0.09145	2.95	\$0.06960	2.95	\$0.06125
3.00	\$0.09149	3.00	\$0.06964	3.00	\$0.06128
3.05	\$0.09154	3.05	\$0.06968	3.05	\$0.06131
3.10	\$0.09159	3.10	\$0.06971	3.10	\$0.06134
3.15	\$0.09164	3.15	\$0.06975	3.15	\$0.06137
3.20	\$0.09168	3.20	\$0.06978	3.20	\$0.06140
3.25	\$0.09173	3.25	\$0.06982	3.25	\$0.06144
3.30	\$0.09178	3.30	\$0.06986	3.30	\$0.06147
3.35	\$0.09183	3.35	\$0.06989	3.35	\$0.06150
3.40	\$0.09187	3.40	\$0.06993	3.40	\$0.06153
3.45	\$0.09192	3.45	\$0.06996	3.45	\$0.06156
3.50	\$0.09197	3.50	\$0.07000	3.50	\$0.06159
3.55	\$0.09202	3.55	\$0.07004	3.55	\$0.06163
3.60	\$0.09206	3.60	\$0.07007	3.60	\$0.06166
3.65	\$0.09211	3.65	\$0.07011	3.65	\$0.06169
3.70	\$0.09216	3.70	\$0.07015	3.70	\$0.06172
3.75	\$0.09221	3.75	\$0.07018	3.75	\$0.06175
3.80	\$0.09226	3.80	\$0.07022	3.80	\$0.06179
3.85	\$0.09230	3.85	\$0.07025	3.85	\$0.06182
3.90	\$0.09235	3.90	\$0.07029	3.90	\$0.06185
3.95	\$0.09240	3.95	\$0.07033	3.95	\$0.06188
4.00	\$0.09245	4.00	\$0.07036	4.00	\$0.06192
4.05	\$0.09250	4.05	\$0.07040	4.05	\$0.06195
4.10	\$0.09254	4.10	\$0.07044	4.10	\$0.06198
4.15	\$0.09259	4.15	\$0.07047	4.15	\$0.06201
4.20	\$0.09264	4.20	\$0.07051	4.20	\$0.06204
4.25	\$0.09269	4.25	\$0.07055	4.25	\$0.06208
4.30	\$0.09274	4.30	\$0.07059	4.30	\$0.06211
4.35	\$0.09279	4.35	\$0.07062	4.35	\$0.06214
4.40	\$0.09283	4.40	\$0.07066	4.40	\$0.06217
4.45	\$0.09288	4.45	\$0.07070	4.45	\$0.06221
4.50	\$0.09293	4.50	\$0.07073	4.50	\$0.06224

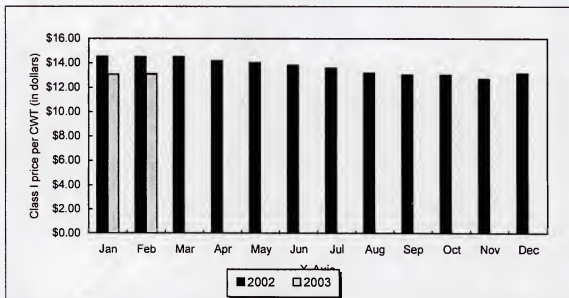
**PRODUCER CLASS I PRICE IN MONTANA**

Charts below show a class I price comparison for 2002 and 2003

Statistics from the Montana Milk Control Bureau

Month	2002	2003	Difference	% Change
January	\$14.53	\$13.07	(\$1.46)	-10.05%
February	\$14.51	\$13.11	(\$1.40)	-9.65%
March	\$14.50			
April	\$14.17			
May	\$14.02			
June	\$13.81			
July	\$13.58			
August	\$13.17			
September	\$13.03			
October	\$13.01			
November	\$12.70			
December	<u>\$13.15</u>			
Average	\$13.68	\$13.09	(\$1.43)	-9.85%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

NOVEMBER 2002: class I = \$7.72; class II = \$0.98; Class III = \$2.85; total = \$11.55

(calculations based upon utilization percentages of butterfat &amp; skim)